

TEMPORARY

NO. 70730-T

APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Date of filing in State Engineer's Office JAN 08 2004

Returned to applicant for correction _____

Corrected application filed _____

Map filed JAN 12 2004 under 70729-T

The applicant **Metallic Ventures (U.S.), Inc.**, hereby makes application for permission to change the point of diversion, manner of use and place of use of water heretofore appropriated under Permit 58574

1. The source of water is **Underground (Prospectus Well)**
2. The amount of water to be changed **1.0 cfs, but not to exceed 199.5 acre-feet annually**
3. The water to be used for **Mining & Milling and Dewatering**
4. The water heretofore permitted for **Mining, Milling and Domestic**
5. The water is to be diverted at the following point **the Southeast Quarter of the Northeast Quarter of Section 18, Township 5 North, Range 28 East M.D.B.&M., Mineral County, Nevada, or at a point from which the northeast corner of said Section 18 bears North 01°36'22" East a distance of 2212.19 feet**
6. The existing permitted point of diversion is located within **the Southwest Quarter (SW¼) of the Northwest Quarter (NW¼) of Section 17, Township 5 North, Range 28 East, M.D.B.&M., or at a point from which the Northwest corner of said Section 17 bears North 02°44'52" West a distance of 2,069.35 feet situated in Mineral County, Nevada.**
7. Proposed place of use **within Mineral County Nevada as outlined by the new claim block limit, and as further described on Attachment 1 and the attached water rights map**
8. Existing place of use **W½ of the NW¼ of Section 17, Township 5 North, Range 28 East, M.D.B.&M, Mineral County**
9. Use will be from **January 1st to December 31st of each year.**
10. Use was permitted from **January 1st to December 31st of each year.**
11. Description of proposed works. **Water is to be developed by means of a drilled well, expected to be up to 700 feet deep, 8-inch (I.D.) casing, via a 60 H.P. submersible pump and motor, thence through approximately 8,000 feet (but up to 12,000 feet) of pipeline (with intermediate storage tank) to the place of use**
12. Estimated cost of works **\$200,000 (for well, casing, pump and motor, tank and water line)**
13. Estimated time required to construct works **Four (4) months**
14. Estimated time required to complete the application of water to beneficial use **five (5) years**

15. Remarks: Pumping is required for mine dewatering, including underground workings that are in progress. Water will be used for mining, milling, mineral processing, dust control, and reclamation. Any excess water that is not evaporated will be returned to the aquifer or discharged by means of permitted rapid infiltration basins or other permitted means. Other than wells of the applicant, there are no domestic wells within 2,500 feet of the proposed Point of Diversion.

By Edward L. Devenyns for Metallic Ventures (U.S.), Inc.
s/Edward L. Devenyns
c/o Metallic Ventures (U.S.), Inc, 5450 Riggins
Court, Suite #2
Reno, Nevada 89502

Compared dl/ cmf ag/ cmf

Protested _____

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This temporary permit to change the point of diversion, manner of use and place of use of the waters of an underground source as heretofore granted under Permit 58574 is issued subject to the terms and conditions imposed in said Permit 58574 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the Proof of Completion of Work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. The State retains the right to regulate the use of the water herein granted at any and all times.

By the issuance of this temporary permit, it is understood that any water diverted as a result of the production and dewatering operation, shall be used first by the permittee for all mining and milling related activities. Any water pumped and not used for mining and milling activities, shall be returned to the groundwater source in the East Walker Groundwater Basin.

Before any water can be diverted, a report outlining the disposal method/delivery system must be submitted to the State Engineer for approval. The permittee shall discharge water in a manner to achieve maximum conservation of the water resource.

This temporary permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The well must be sealed with cement grout, concrete grout or neat cement from ground level to 100 feet.

The total combined duty of water under Permits 45301, Certificate 13962; 58574; 58658; and Temporary Permits 70729-T and 70730-T shall not exceed 199.5 acre-feet annually.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this temporary permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the groundwater basin.

Monthly records shall be kept of the amount of water pumped from this well and the records submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

(CONTINUED ON PAGE 3)

The issuance of this temporary permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

This temporary permit is issued pursuant to the provisions of NRS 533.345 Section 2 and will expire on **January 28, 2005** at which time all rights herein granted shall revert to the right being changed by this temporary permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.0 cubic feet per second, **but not to exceed 199.5 acre-feet annually.**

Work must be prosecuted with reasonable diligence and be completed on or before:

Proof of completion of work shall be filed on or before:

Water must be placed to beneficial use on or before:

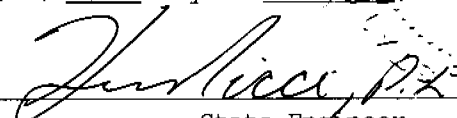
Proof of the application of water to beneficial use shall be filed on or before:

Map in support of proof of beneficial use shall be filed on or before:

IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E.,

State Engineer of Nevada, have hereunto set
my hand and the seal of my office,

this 29th day of January, A.D. 2004


State Engineer

EXPIRED
DATE 5/21/04

TEMPORARY

Attachment 1: Proposed Place of Use**T. 5N., R. 27E., M.D.B.&M.**

E1/2	Section 13
E1/2	Section 24
E1/2	Section 25
NE1/4	Section 36

T. 5N., R. 28E., M.D.B.&M.

W1/2	Section 1
NW1/4 NE1/4	Section 1
NE1/4 NE1/4	Section 1
SW1/4 NE1/4	Section 1
NW1/4 SE1/4	Section 1
SW1/4 SE1/4	Section 1
All	Section 2
All	Section 3
SE1/4	Section 4
SE1/4	Section 7
SE1/4 NW1/4	Section 7
SW1/4 NE1/4	Section 7
SE1/4 NE1/4	Section 7
NE1/4 SW1/4	Section 7
SE1/4 SW1/4	Section 7
S1/2	Section 8
SW1/4 NW1/4	Section 8
SE1/4 NW1/4	Section 8
SW1/4 NE1/4	Section 8
SE1/4 NE1/4	Section 8
All	Section 9
All	Section 10
W1/2	Section 11
All	Section 15
All	Section 16
All	Section 17
All	Section 18
All	Section 19
All	Section 20
NW1/4	Section 21
NW1/4 NE1/4	Section 21
NW1/4 SW1/4	Section 21
SW1/4 SW1/4	Section 21
N1/2	Section 29
NW1/4 SW1/4	Section 29
NE1/4 SW1/4	Section 29
NW1/4 SE1/4	Section 29
NE1/4 SE1/4	Section 29
N1/2	Section 30
SW1/4	Section 30
NW1/4 SE1/4	Section 30
NE1/4 SE1/4	Section 30
SW1/4 SE1/4	Section 30

Attachment 1: Proposed Place of Use (continued)**T. 5 N., R. 28E., continued**

NW1/4	Section 31
NW1/4 NE1/4	Section 31
SW1/4 NE1/4	Section 31

T. 5 N., R. 29E., M.D.B.&M.

NW1/4 NW1/4	Section 6
NE1/4 NW1/4	Section 6

T. 6 N., R. 28 E., M.D.B.&M.

SE1/4 SW1/4	Section 34
SW1/4 SE1/4	Section 34
E1/2 E1/2	Section 34
All	Section 35
All	Section 36